



Connecticut's Health Insurance Marketplace

Testimony on Senate Bill 479
Insurance and Real Estate Committee
March 18, 2014

Good afternoon Senator Crisco, Representative Megna, and members of the Insurance and Real Estate Committee. My name is Virginia Lamb, and I serve as General Counsel for Access Health CT. I am testifying today, on behalf of Access Health CT CEO Kevin Counihan, in support of Senate Bill 479, An Act Concerning the Authority and Duties of the Connecticut Health Insurance Exchange and Establishing Certain Standards for Certain Stop Loss Insurance Policies.

The first section of this bill contains revisions to the All-Payer Claims Database (APCD) legislation, which passed in 2013. After hearing concerns from a variety of stakeholders, Access Health CT has decided that we will not pursue any changes to the APCD legislation during this session. We therefore respectfully request the committee to strike this section of the bill.

The third section of the bill concerns stop-loss insurance policies. Access Health CT is working with the Insurance Department, which has issued updated Bulletins on stop-loss coverage (HC-95 and PC-75, both dated March 17, 2014). We therefore respectfully request that the committee strike this section of the bill.

The second part of the bill addresses a mechanism for enforcing the Exchange Assessment, short of taking every carrier who fails to pay to court. This section now remains the bill.

Practicality and Fairness of the Assessment: From an operational standpoint, market assessment of carriers is also a fair, practicable and predictable source of revenue that does not impose a differential burden on those carriers, individuals or businesses that choose to participate in the Exchange. Market assessments will also produce a far more predictable revenue base than user fees. This is an especially important consideration, given unknown enrollment for the first year of operation. It is also an approach, contemplated by the National Association of Insurance Carriers in their NAIC Health Benefit Exchange Model Act (Section 7).

The Exchange has proposed basing its market assessment on the percentage of gross written premium for all health and dental carriers capable of participating in the Exchange. The Exchange will use the Medical Loss Ratio Reports to CID and the Health Insurance Oversight System (HIOS) of the Centers for Medicare and Medicaid Services when assessing health carriers. The Exchange will use Annual Statements filed with CID when assessing dental carriers. Since, these reports are already required of the carriers; this Exchange requirement does not place any additional administrative burden on the carriers.

The Exchange duly adopted the Policy: Acquiring Operating Funding and the Procedure: Exchange Assessments and Fees, last year.

The enforcement mechanism is similar to what CID has in place for the Guaranty Association and what the Exchange has in place for the APCD.

Thank you for your time, I would be happy to take any questions the committee may have.